CAMCO FINANCIAL CORP
Form 424B3
September 26, 2012
Table of Contents

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under the Securities Act of 1933
Registration No. 333-182719

PROSPECTUS

CAMCO FINANCIAL CORPORATION

8,571,429 million shares of Common Stock,

including up to 5,714,286 shares of Common Stock

issuable upon the exercise of Subscription Rights at $1.75 per share

and Warrants to purchase up to 2,857,143 shares of Common Stock at $2.10 per share

We are distributing, at no charge to our stockholders, non-transferable subscription rights to purchase up to 5,714,286 shares of our common stock, $1.00 par value per share. In the rights offering, you will receive one subscription right for each share of common stock you hold as of 5:00 p.m. Eastern Time, on July 29, 2012, the record date of the rights offering.

Each subscription right will entitle you to purchase one share of our common stock at a subscription price of $1.75 per share, which we refer to as the basic subscription privilege, subject to certain limitations and subject to allotment. If you fully exercise your basic subscription privilege and other stockholders do not fully exercise their basic subscription privileges, you will be entitled to exercise an over-subscription privilege, subject to certain limitations and subject to allotment, to purchase a portion of the unsubscribed shares of our common stock at the same subscription price of $1.75 per share. To the extent you properly exercise your over-subscription privilege for an amount of shares that exceeds the number of the unsubscribed shares available to you, any excess subscription payments received by the subscription/escrow agent will be returned to you promptly, without interest, following the expiration of the rights offering.

The subscription rights will expire if they are not exercised by 5:00 p.m., Eastern Time, on October 31, 2012. We reserve the right to extend the expiration date one or more times, but in no event will we extend the rights offering beyond December 31, 2012. You should carefully consider whether to exercise your subscription rights before the expiration of the rights offering. All exercises of subscription rights are irrevocable. The subscription rights may not be sold, transferred or assigned.

Our board of directors is not making a recommendation regarding your exercise of the subscription rights. You should carefully consider whether to exercise your subscription rights prior to the expiration of the rights offering.

Investing in our common stock involves risks. See Risk Factors beginning on page 9 to read about factors you should consider before exercising your subscription rights.

We may offer any of the shares of common stock that remain unsubscribed (after taking into account all over-subscription rights exercised) at the expiration of the rights offering to the public at $1.75 per share. Any offering of shares of common stock that remain unsubscribed shall be on a best efforts basis. The public offering of unsubscribed shares of common stock shall terminate no later than December 31, 2012.

For each two shares purchased in the rights offering or public offering, purchasers will receive, without charge, a warrant to purchase one additional share of common stock at a purchase price of $2.10 per share. The warrant will be exercisable for a period of five years from the closing of the offering, may be exercised only by cash payments and will be non-transferable.

We may in our sole discretion cancel the rights offering at any time and for any reason. If we cancel this offering, the subscription/escrow agent will return all subscription payments it has received for the cancelled rights offering without interest or penalty.

We have engaged Registrar and Transfer Company to serve as the subscription/escrow agent and ParaCap Group LLC (ParaCap) to serve as our financial advisor and information agent in connection with the rights offering and in identifying one or more qualifying broker-dealers to act as a selling group in connection with the public offering if any. The subscription/escrow agent will hold in escrow the funds we receive from subscribers until we complete or cancel the rights offering.

This is not an underwritten offering. ParaCap is not acting as an underwriter or placement agent and is not obligated to purchase any of the shares of common stock that are being offered for sale. Management is selling the shares on a best efforts basis.

Our common stock is traded on the NASDAQ Global Market under the trading symbol CAFI. The last reported sales price of our shares of common stock on September 21, 2012 was $2.28 per share. The shares of common stock issued in the rights and warrant offering will also be listed on the NASDAQ Global Market under the same symbol. The subscription rights and warrants will not be listed for trading on the NASDAQ Global Market or any other stock exchange or market. As of the close of business on September 21, 2012 there were 7,468,087 shares of common stock issued and outstanding.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

These shares of common stock are not savings accounts, deposits, or other obligations of our bank subsidiary or any of our non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

RIGHTS OFFERING SUMMARY

PRICE: $1.75 PER SHARE

	50% of Maximum	**Maximum**
Number of shares	2,857,143	5,714,286
Gross stock offering proceeds	$ 5,000,000	$ 10,000,000
Estimated offering expenses excluding financial advisor/information agent fees and expenses	$ 174,000	$ 174,000
Financial advisor/information agent fees and expenses[(1)]	$ 165,000	$ 465,000
All fees and expenses per share	$ .1186	$ .1118
Net proceeds	$ 4,661,000	$ 9,361,000
Net proceeds per share	$ 1.6313	$ 1.6382

(1) We have engaged ParaCap as our financial advisor and information agent in connection with the rights offering. This is not an underwritten offering. Neither ParaCap nor any other broker-dealer is obligated to purchase any of the shares of common stock that are being offered for sale. See *Plan of Distribution Financial Advisor* for a discussion of ParaCap s compensation. Financial advisory fees at 50% of the maximum of the offering assume that $2.0 million of common stock is sold to directors and officers of Camco at a fee of 1.0% and $3.0 million of common stock is sold pursuant to the exercise of basic subscription privileges at a 1.5% fee. Financial advisory fees at the maximum of the offering assume that $2.0 million of common stock is sold to directors and officers of Camco at a fee of 1.0%, $3.0 million of common stock is sold pursuant to the exercise of basic subscription privileges at a 1.5% fee and $5.0 million is sold pursuant to the exercise of over-subscription rights and the public offering at a 6.0% fee. Both fee amounts assume that no fairness opinion is provided. ParaCap is entitled to reimbursement of expenses up to $150,000. The amounts shown at both 50% of the maximum and at the maximum assume reimbursement of $100,000 of expenses. In the event that no shares of common stock are sold pursuant to the exercise of basic subscription privileges, all shares of common stock are sold pursuant to the public offering and the entire $150,000 expense reimbursement cap is utilized by ParaCap, then the financial advisory fees and expenses could total up to $450,000 at 50% of the offering amount and $750,000 at the maximum offering amount. The financial advisory fees will be reduced by the aggregate amount of the initial and monthly retainer fees paid to ParaCap, which we estimate will be $220,000 if the rights offering and public offering, if any, close within 60 days of the date hereof.

This investment involves risks, including the possible loss of principal.

Please read Risk Factors beginning on page 9.

The date of this prospectus is September 24, 2012.

Table of Contents

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. We have not, and our financial advisor and information agent, ParaCap, has not, authorized anyone to provide you with additional or different information from that contained in this prospectus. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus regardless of the time of delivery of this prospectus or any exercise of the rights.

The distribution of this prospectus and the rights and warrants offering and sale of shares of our common stock in certain jurisdictions may be restricted by law. This prospectus does not constitute an offer of, or a solicitation of an offer to buy, any shares of common stock in any jurisdiction in which such offer or solicitation is not permitted. No action is being taken in any jurisdiction outside the United States to permit an offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to those jurisdictions.

In this prospectus, all references to the Company, Camco, we, us and our refer to Camco Financial Corporation and its subsidiaries, unless th context otherwise requires or where otherwise indicated. References to Advantage, Advantage Bank or the Bank mean our wholly-owned banking subsidiary. In this prospectus, we will refer to the rights offering and the public offering collectively as the stock offering.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of our statements contained in this prospectus are forward-looking statements within the meaning of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of invoking these safe harbor provisions. Forward-looking statements are not guarantees of performance or results. When we use words such as may, plan, contemplate, anticipate, believe, intend, continue, expect, project, predict, es is likely, should, would, will, and similar expressions, you should consider them as identifying forward-looking statements, although we may u other phrasing.

All statements other than statements of historical fact included in this prospectus regarding our outlook, financial position and results of operation, liquidity, capital resources and interest rate sensitivity are forward-looking statements. These forward-looking statements also include, but are not limited to:

- anticipated changes in industry conditions created by state and federal legislation and regulations;
- anticipated changes in general interest rates and the impact of future interest rate changes on our profitability, capital adequacy and the fair value of our financial assets and liabilities;
- retention of our existing customer base and our ability to attract new customers;
- the development of new products and services and their success in the marketplace;
- the adequacy of the allowance for loan losses; and
- statements regarding our anticipated loan and deposit account growth, expense levels, liquidity and capital resources and projections of earnings.

The forward-looking statements contained in this prospectus are based on our beliefs and assumptions and on the information available to us at the time that these disclosures were prepared and involve known and unknown risks, uncertainties and other factors which may cause our actual results to be materially different from any future results expressed or implied by such forward-looking statements. Although we believe the expectations reflected in such forward-looking statements are reasonable, we can give no assurance such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from those in the forward-looking statements included herein include, but are not limited to:

- competition in the industry and markets in which we operate;
- levels of non-performing assets;
- changes in general interest rates;
- loan demand;

- rapid changes in technology affecting the financial services industry;
- real estate values;
- changes in government regulation; and
- general economic and business conditions.

For other factors, risks and uncertainties that could cause our actual results to differ materially from estimates and projections contained in these forward-looking statements, please read the *Risk Factors* section of this prospectus. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary note. Any forward-looking statement speaks only as of the date which such statement was made, and, except as required by law, we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Table of Contents

QUESTIONS AND ANSWERS RELATING TO THE RIGHTS OFFERING

The following are examples of what we anticipate will be common questions about the rights offering. The answers are based on selected information included elsewhere in this prospectus. The following questions and answers do not contain all of the information that may be important to you and may not address all of the questions that you may have about the rights offering. This prospectus contains more detailed descriptions of the terms and conditions of the rights offering and provides additional information about us and our business, including potential risks related to the rights offering, Camco s common stock and our business.

What is the rights offering?

We are distributing to holders of shares of our common stock as of 5:00 p.m., Eastern Time, on July 29, 2012, which is the record date for the rights offering, at no charge, non-transferable subscription rights to purchase shares of our common stock. You will receive one subscription right for each share of common stock you owned as of 5:00 p.m., Eastern Time, on July 29, 2012. Each subscription right entitles the holder to a basic subscription privilege and an over-subscription privilege, which are described below. The common stock to be issued in the rights offering, like our existing shares of common stock, will be traded on the NASDAQ Global Market under the symbol CAFI.

Why are we conducting the stock offering?

We are engaging in the stock offering to raise equity capital to improve Advantage s capital position and to retain additional capital at Camco. See *Use of Proceeds.* Advantage has entered into a consent order with the FDIC and Ohio Division of Financial Institutions that requires it to increase its Tier 1 Leverage Capital ratio to 9% and total Risk Based Capital ratio to 12%. In order to comply with the consent order, Camco must raise capital. Our board of directors has chosen to raise capital through a rights offering to give our stockholders the opportunity to limit ownership dilution by buying additional shares of common stock. Our board of directors also considered several alternative capital raising methods prior to concluding that the rights offering was the appropriate option under the current circumstances. We believe that the rights offering will strengthen our financial condition by generating additional cash and increasing our capital position; however, our board of directors is making no recommendation regarding your exercise of the subscription rights. We cannot assure you that we will not need to seek additional financing or engage in additional capital offerings in the future. Based on our capital ratios at June 30, 2012, if the rights offering is fully subscribed, we anticipate that our Tier 1 Leverage Capital ratio will be 7.65% and total Risk Based Capital will be 11.21%. Thus, even if the rights offering is fully subscribed, we will not meet the consent order s capital requirements.

What is the basic subscription privilege?

The basic subscription privilege of each subscription right gives our stockholders the opportunity to purchase one share of our common stock at a subscription price of $1.75 per share. We have granted to you, as a stockholder of record as of 5:00 p.m., Eastern Time, on the record date, one subscription right for each share of our common stock you owned at that time. For example, if you owned 100 shares of our common stock as of 5:00 p.m., Eastern Time, on the record date, you would have received 100 subscription rights and would have the right to purchase 100 shares of common stock for $1.75 per share subject to certain limitations and subject to allotment. You may exercise all or a portion of your basic subscription privilege or you may choose not to exercise any subscription rights at all. However, if you exercise less than your full basic subscription privilege, you will not be entitled to purchase any additional shares by using your over-subscription privilege. It is possible that the requests for exercise of subscription rights in the basic subscription privilege will exceed the number of shares of common stock available to be purchased pursuant to the basic subscription privilege. If this occurs, we will allocate the available shares of common stock among stockholders who subscribed by multiplying the number of shares requested by each stockholder through the exercise of their basic subscription privileges by a fraction equal to (i) the number of shares available to be issued through the rights offering divided by (ii) the total number of shares requested by all subscribers through the exercise of their basic subscription privileges.

Table of Contents

If you hold a Camco stock certificate, the number of rights you may exercise pursuant to your basic subscription privilege is indicated on the enclosed rights certificate. If you hold your shares in the name of a custodian bank, broker, dealer or other nominee, you will not receive a rights certificate. Instead, the Depository Trust Company (DTC) will issue one subscription right to the nominee record holder for each share of our common stock that you own at the record date. If you are not contacted by your custodian bank, broker, dealer or other nominee, you should contact your nominee as soon as possible.

What is the over-subscription privilege?

In the event that you purchase all of the shares of our common stock available to you pursuant to your basic subscription privilege, you may also choose to purchase a portion of any shares of our common stock that are not purchased by our other stockholders through the exercise of their basic subscription privileges. You should indicate on your rights certificate how many additional shares you would like to purchase pursuant to your over-subscription privilege.

If sufficient shares of common stock are available, we will seek to honor your over-subscription request in full. If, however, over-subscription requests exceed the number of shares of common stock available to be purchased pursuant to the over-subscription privilege, we will allocate the available shares of common stock among stockholders who over-subscribed by multiplying the number of shares requested by each stockholder through the exercise of their over-subscription privileges by a fraction that equals (x) the number of shares available to be issued through over-subscription privileges divided by (y) the total number of shares requested by all subscribers through the exercise of their over-subscription privileges. We will not issue fractional shares through the exercise of over-subscription privileges.

In order to properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege at the time you deliver payment related to your basic subscription privilege. Because we will not know the actual number of unsubscribed shares prior to the expiration of the rights offering, if you wish to maximize the number of shares you purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate subscription price for the maximum number of shares of our common stock that may be available to you. For that calculation, you must assume that no other stockholder, other than you, will subscribe for any shares of our common stock pursuant to their basic subscription privilege. See *The Rights Offering The Subscription Rights Over-Subscription Privilege.*

How can I receive warrants to purchase additional common stock?

For every two subscription rights you exercise, you will receive a warrant to purchase one share of our common stock at $2.10 per share. The warrants will be exercisable for five years following completion of the stock offering at an exercise price of $2.10 per share. The exercise price will be payable only by cash or check. The warrants will not be transferrable, no fractional warrants will be issued and the number of warrants issued will be rounded down. By way of example, a purchaser purchasing two shares of common stock also will receive one warrant and a purchaser purchasing three shares of common stock will receive one warrant, while a purchaser purchasing four shares of common stock will receive two warrants. The number of shares for which warrants may be exercised and the exercise price applicable to the warrants will be proportionately adjusted in the event that we pay stock dividends or make distributions of our common stock, or subdivide, combine or reclassify outstanding shares of our common stock such as in stock split or reverse stock split.

Am I required to exercise all of the subscription rights I receive in the rights offering?

No. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. If you do not exercise any subscription rights, the number of shares of our common stock you

Table of Contents

own will not change and you will not receive any warrants to acquire Camco common stock. However, if you choose not to exercise your subscription rights or you exercise less than all of your subscription rights and other stockholders fully exercise their subscription rights or exercise a greater proportion of their subscription rights than you exercise, the percentage of our common stock owned by these other stockholders will increase relative to your ownership percentage, and your voting and other rights in the Company will likewise be diluted. In addition, if you do not exercise your basic subscription privilege in full, you will not be entitled to participate in the over-subscription privilege.

How soon must I act to exercise my subscription rights?

If you received a rights certificate and elect to exercise any or all of your subscription rights, the subscription/escrow agent must receive your completed and signed rights certificate and payment (and your payment must clear) prior to the expiration of the rights offering, which is October 31, 2012, at 5:00 p.m., Eastern Time. If you hold your shares in the name of a custodian bank, broker, dealer or other nominee, your nominee may establish a deadline prior to 5:00 p.m., Eastern Time, on October 31, 2012 by which you must provide it with your instructions to exercise your subscription rights and payment for your shares. Our board of directors may, in its discretion, extend the rights offering one or more times, but in no event will the expiration date be later than December 31, 2012. Our board of directors may cancel or amend the rights offering at any time. In the event that the rights offering is cancelled, all subscription payments received will be returned promptly, without interest or penalty.

Although we will make reasonable attempts to provide this prospectus to holders of subscription rights, the rights offering and all subscription rights will expire at 5:00 p.m., Eastern Time on October 31, 2012 (unless extended), whether or not we have been able to locate each person entitled to subscription rights.

May I transfer my subscription rights or warrants?

No. You may not sell, transfer or assign your subscription rights or warrants to anyone. Subscription rights and warrants will not be listed for trading on the NASDAQ Global Market or any other stock exchange or market. Rights certificates and warrants may only be completed by the stockholder who receives them.

Are we requiring a minimum subscription to complete the rights offering?

There is no aggregate minimum we must receive to complete the rights offering.

Has our board of directors made a recommendation to our stockholders regarding the rights offering?

No. Our board of directors is not making a recommendation regarding your exercise of the subscription rights. Stockholders who exercise subscription rights risk investment loss on new money invested. We cannot predict the price at which our shares of common stock will trade and, therefore, we cannot assure you that the market price for our common stock will be above the subscription price or that anyone purchasing shares at the subscription price will be able to sell those shares in the future at the same price or a higher price. You are urged to make your decision based on your own assessment of our business and the rights offering. Please see *Risk Factors* for a discussion of some of the risks involved in investing in our common stock.

Are there any limits on the number of shares I may purchase in the rights offering or own as a result of the rights offering?

Each participant in this offering is subject to an overall beneficial ownership limit of 9.9%, calculated with respect to the approximately 13,182,373 shares of common stock potentially outstanding after the consummation of this rights offering if all rights are exercised. Any rights exercised for common stock that would cause the holder to exceed the 9.9% ownership limit will not be considered exercised or subscribed for by

Table of Contents

that holder. The portion of the subscription price paid by a holder for common stock not considered subscribed for will be returned to that holder, without interest or penalty, as soon as practicable after completion of this stock offering.

We will not issue shares of our common stock pursuant to the exercise of basic or over-subscription privileges to any person or entity who, in our sole opinion, could be required to obtain prior clearance or approval from or submit a notice to any state or federal bank regulatory authority to acquire, own or control such shares if, as of October 31, 2012, such clearance or approval has not been obtained and/or any applicable waiting period has not expired. If we elect not to issue shares in such a case, the unissued shares will become available to satisfy over-subscriptions by other stockholders pursuant to their subscription rights and will thereafter be available in the public offering of shares.

In addition, we may not issue shares of our common stock pursuant to the exercise of warrants that may be acquired in the rights offering to any person or entity who, in our sole opinion, could be required to obtain prior clearance or approval from or submit a notice to any state or federal bank regulatory authority to acquire, own or control such shares.

How do I exercise my subscription rights if I own shares in certificate form?

If you hold a Camco stock certificate and you wish to participate in the rights offering, you must take the following steps:

- deliver a properly completed and signed rights certificate, and related subscription documents, to the subscription/escrow agent before 5:00 p.m., Eastern Time, on October 31, 2012; and
- deliver payment to the subscription/escrow agent (as described below) before 5:00 p.m., Eastern Time, on October 31, 2012.

In certain cases, you may be required to provide additional documentation or signature guarantees.

Please follow the delivery instructions on the rights certificate. Do not deliver documents to Camco. You are solely responsible for completing delivery to the subscription/escrow agent of your subscription documents, rights certificate and payment. We urge you to allow sufficient time for delivery of your subscription materials to the subscription/escrow agent so that they are received by the subscription/escrow agent by 5:00 p.m., Eastern Time, on October 31, 2012.

If you send a payment that is insufficient to purchase the number of shares you requested, or if the number of shares you requested is not specified in the forms, the payment received will be applied to exercise your subscription rights to the fullest extent possible based on the amount of the payment received, subject to the availability of shares in the rights offering and the elimination of fractional shares. Any excess subscription payments received by the subscription/escrow agent will be returned promptly, without interest, following the expiration of the rights offering.

What form of payment is required to purchase the shares of our common stock?

As described in the instructions accompanying the rights certificate, payments submitted to the subscription/escrow agent must be made in full United States currency by:

- check payable to Registrar and Transfer Company, the subscription/escrow agent, drawn upon a United States bank;
- bank check payable to Registrar and Transfer Company, the subscription/escrow agent , drawn upon Advantage Bank; or
- wire transfer to Registrar and Transfer Company, the subscription/escrow agent.

Payment will be deemed to have been received by the subscription/escrow agent only upon the subscription/escrow agent s receipt of any certified check or bank check drawn upon Advantage Bank or, in the case of an uncertified personal check, receipt and clearance of such check.

Please note that funds paid by uncertified personal check may take at least seven business days to clear. Accordingly, if you wish to pay by means of an uncertified personal check, we urge you to make payment

Table of Contents

sufficiently in advance of the expiration date to ensure that the subscription/escrow agent receives cleared funds before that time. We also urge you to consider payment by means of a certified check, bank check, bank draft or money order.

What should I do if I want to participate in the rights offering, but my shares are held in the name of a custodian bank, broker, dealer or other nominee?

If you hold your shares of common stock through a custodian bank, broker, dealer or other nominee, then your nominee is the record holder of the shares you own. If you are not contacted by your nominee, you should contact your nominee as soon as possible. Your nominee must exercise the subscription rights on your behalf for the shares of common stock you wish to purchase. You will not receive a rights certificate. Please follow the instructions of your nominee. Your nominee may establish a deadline that may be before the 5:00 p.m., Eastern Time, October 31, 2012 expiration date that we have established for the rights offering.

What should I do if I want to participate in the rights offering, but my subscription rights are held in my account in the 401(k) Plan?

If you held shares of our common stock in your account under the Camco Financial & Subsidiaries Salary Savings Plan (the 401(k) Plan) as of 5:00 p.m., Eastern Time, on the record date, you may exercise the subscription rights with respect to those shares of common stock to the same extent as other holders of our common stock as of 5:00 p.m., Eastern Time, on the record date by electing what amount (if any) of your subscription rights you would like to exercise by properly completing a special election form, called the Camco Financial & Subsidiaries Salary Savings Plan Non-Transferable Subscription Rights Election Form (401(k) Plan Participant Election Form) that is provided to you. You must return your properly completed 401(k) Plan Participant Election Form to the Company as prescribed in the instructions accompanying the 401(k) Plan Participant Election Form. Your 401(k) Plan Participant Election Form must be received by the Company by 5:00 p.m., Eastern Time, on October 24, 2012 (the 401(k) Deadline), which is the fifth business day prior to the expiration date of the rights offering. If your 401(k) Plan Participant Election Form is not received by the 401(k) Deadline, your election to exercise your subscription rights that are held in your 401(k) Plan account will not be effective. The 401(k) Deadline is a special deadline that applies to participants (and other account holders) in the 401(k) Plan (notwithstanding the expiration date of the rights offering generally applicable to holders of subscription rights) and solely with respect to the shares of our common stock held through the 401(k) Plan as of the record date. Any subscription rights credited to your 401(k) Plan account will expire unless they are properly exercised by the 401(k) Deadline. If you elect to exercise some or all of the subscription rights in your 401(k) Plan account, you must also ensure that you indicate on your 401(k) Plan Participant Election Form a sufficient amount of your current investment in the Morley Stable Value Fund in your 401(k) Plan account to be liquidated in full satisfaction of your subscription payment. If the amount of funds in your 401(k) Plan account that are invested in the Morley Stable Value Fund do not equal or exceed the purchase price of the shares of common stock that you have elected to purchase in the rights offering, the subscription rights held by your 401(k) Plan account will be exercised to the fullest extent possible based on the cash value of your 401(k) Plan account invested in the Morley Stable Value Fund.

What should I do if I want to participate in the rights offering, I participate in the 401(k) plan, but my account in the 401(k) Plan does not hold shares of common stock as of 5:00 p.m., Eastern Time, on the record date?

The 401(k) Plan will have the right to subscribe for shares of our common stock if the 401(k) plan account of any 401(k) Plan participant is invested in our common stock as of 5:00 p.m., Eastern Time, on the record date. The 401(k) Plan will allow participants who have not invested any part of their 401(k) Plan account in our common stock on that date to direct the 401(k) Plan to exercise the 401(k) Plans right to acquire shares, to the extent that the 401(k) Plan is able to purchase more shares than are requested by 401(k) Plan participants whose 401(k) Plan account held shares of our common stock as of 5:00 p.m., Eastern Time, on the record date.

To the extent that your 401(k) Plan account did not hold shares of our common stock as of 5:00 p.m., Eastern Time, on the record date, you may request the 401(k) Plan to purchase shares for your 401(k) Plan account by electing what amount (if any) of the over-subscription rights you would like to exercise by properly completing a (401(k) Plan Participant Election Form) that is provided to you. You must return your properly completed 401(k) Plan Participant Election Form to the Company as prescribed in the instructions accompanying the 401(k) Plan Participant Election Form. Your 401(k) Plan Participant Election Form must be received by the Company by 5:00 p.m., Eastern Time, on October 24, 2012 (the 401(k) Deadline), which is the fifth business day prior to the expiration date of the rights offering. If your 401(k) Plan Participant Election Form is not received by the 401(k) Deadline, your election to exercise your subscription rights that are held in your 401(k) Plan account will not be effective. The 401(k) Deadline is a special deadline that applies to participants (and other account holders) in the 401(k) Plan (notwithstanding the expiration date of the rights offering generally applicable to holders of subscription rights). Any subscription rights credited to your 401(k) Plan account will expire unless they are properly exercised by the 401(k) Deadline. If you elect to exercise some or all of the subscription rights in your 401(k) Plan account, you must also ensure that you indicate on your 401(k) Plan Participant Election Form a sufficient amount of your current investment in the Morley Stable Value Fund in your 401(k) Plan account to be liquidated in full satisfaction of your subscription payment. If the amount of funds in your 401(k) Plan account that are invested in the Morley Stable Value Fund do not equal or exceed the purchase price of the shares of common stock that you have elected to purchase in the rights offering, the subscription rights held by your 401(k) Plan account will be exercised to the fullest extent possible based on the cash value of your 401(k) Plan account invested in the Morley Stable Value Fund.

If the 401(k) Plan is unable to purchase all of the shares requested by participants, the shares of common stock purchased by the 401(k) Plan pursuant to the Rights Offering will be allocated first among those 401(k) Plan participants who exercised basic subscription rights related to shares of common stock allocated to their 401(k) Plan account as of 5:00 p.m., Eastern Time, on the Record Date; second among participants who exercised over-subscription rights related to shares of common stock allocated to their 401(k) Plan account at that time; and finally among participants who did not hold any shares of common stock in their 401(k) Plan account at that time.

When will I receive my new shares and warrants?

All shares that you purchase in the rights offering and warrants to which you are entitled will be issued in book-entry, or uncertificated, form. When issued, the shares and warrants will be registered in the name of the subscription rights holder of record. As soon as practicable after the expiration of the rights offering period, the subscription/escrow agent will arrange for the issuance of the shares of common stock purchased in the rights offering and the warrants. Subject to state securities laws and regulations, we have the discretion to delay distribution of any warrants and shares you may have elected to purchase by exercise of your rights in order to comply with state securities laws.

After I send in my payment and rights certificate, may I cancel my exercise of subscription rights?

No. All exercises of subscription rights are irrevocable unless the rights offering is terminated, even if you later learn information that you consider to be unfavorable to the exercise of your subscription rights. You should not exercise your subscription rights unless you are certain that you wish to purchase shares of our common stock in the rights offering.

Will our directors and officers participate in the rights offering?

All holders of our common stock as of the record date for the rights offering will receive, at no charge, the non-transferable subscription rights to purchase shares of our common stock as described in this prospectus. To the extent that our directors and officers held shares of our common stock as of the record date, they will receive the subscription rights and, while they are under no obligation to do so, will be entitled to participate in the rights

Table of Contents

offering. Our directors and executive officers have indicated that they may purchase between 1.4 million and 2.0 million shares of our common stock in the offering through their basic and oversubscription privileges. If they purchased 2.0 million shares, they would own approximately 19.2% of the total outstanding shares of common stock immediately after the completion of the rights offering, assuming all of the rights are subscribed for in the rights offering.

What effects will the stock offering have on our outstanding common stock?

As of September 21, 2012, we had 7,468,087 shares of our common stock issued and outstanding. Assuming no options are exercised prior to the expiration of the rights offering and assuming all shares are sold in the rights offering, we expect approximately 13,182,373 shares of our common stock will be outstanding immediately after completion of the rights offering.

The issuance of shares of our common stock in the rights offering will dilute, and thereby reduce, your proportionate ownership in our shares of common stock unless you fully exercise your basic subscription privilege and a certain level of your over-subscription privilege. In addition, the issuance of shares of our common stock at a subscription price which is less than the market price as of October 31, 2012 would likely reduce the price per share of shares of common stock held by you prior to the stock offering.

How much will we receive in net proceeds from the stock offering?

We expect the aggregate stock offering proceeds, net of expenses, to be approximately $9.36 million prior to the exercise of any warrants and assuming all rights are exercised. Subject to the Federal Reserve Board s approval of or non-objection to the capital plan and business plan we have adopted, we intend to invest the net proceeds in Advantage to improve its regulatory capital position, and retain the remainder of the net proceeds for general corporate purposes. The net proceeds we retain may be used for general corporate purposes. Please see *Use of Proceeds.*

Are there risks in exercising my subscription rights?

Yes. The exercise of your subscription rights involves risks. Exercising your subscription rights involves the purchase of additional shares of our common stock and should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described under the heading *Risk Factors* in this prospectus.

If the rights offering is not completed, will my subscription payment be refunded to me?

Yes. The subscription/escrow agent will hold all funds it receives in a segregated bank account until completion of the rights offering. If the rights offering is not completed, all subscription payments received by the subscription/escrow agent will be returned promptly, without interest or penalty. If your shares are held in the name of a custodian bank, broker, dealer or other nominee, it may take longer for you to receive the refund of your subscription payment because the subscription/escrow agent will return payments through the record holder of your shares.

What is the public offering of shares?

If shares of common stock remain available for sale after the closing of the rights offering, we may offer and sell all or some of those remaining shares to the public on a best efforts basis at the $1.75 per share subscription price.

Table of Contents

Will I receive interest on any funds I deposit with the subscription/escrow agent ?

No. You will not be entitled to any interest on any funds that are deposited with the subscription/escrow agent pending completion or cancellation of the rights offering. If the rights offering is cancelled for any reason, the subscription/escrow agent will return this money to subscribers, without interest or penalty, as soon as practicable.

When can I sell the shares of common stock I receive upon exercise of the subscription rights?

If you exercise your subscription rights, you will be able to resell the shares of common stock purchased by exercising your subscription rights once your account has been credited with those shares, provided you are not otherwise restricted from selling the shares (for example, because you are an affiliate who holds control stock or because you possess material nonpublic information about the Company). Although we will endeavor to issue the shares as soon as practicable after completion of the rights offering, there may be a delay between the expiration date of the rights offering and the time that the shares are issued. In addition, we cannot assure you that, following the exercise of your subscription rights, you will be able to sell your common stock at a price equal to or greater than the subscription price.

What are the U.S. federal income tax consequences of exercising my subscription rights?

The receipt and exercise of subscription rights should generally not be taxable for U.S. federal income tax purposes. You should, however, seek specific tax advice from your tax advisor in light of your particular circumstances and as to the applicability and effect of any other tax laws. See Certain Material U.S. Federal Income Tax Considerations.

What fees or charges apply if I purchase shares of common stock in the rights offering?

We are not charging any fee or sales commission to issue subscription rights to you or to issue shares to you if you exercise your subscription rights or warrants (other than the subscription or warrant price). If you exercise your subscription rights through a custodian bank, broker, dealer or other nominee, you are responsible for paying any fees your nominee may charge you.

What is the role of ParaCap in the stock offering?

We have entered into an agreement with ParaCap, pursuant to which ParaCap is acting as our financial advisor and information agent in connection with the stock offering. ParaCap may also identify one or more qualifying broker-dealers to act as a selling group in connection with the public offering of shares, if any. ParaCap is not acting as an underwriter or placement agent in the rights offering or the public offering, if any, and no other broker-dealer will act as an underwriter in the rights offering or the public offering, if any; but another broker-dealer could act as a placement agent in the public offering, if any. We have agreed to pay certain fees to, and expenses of, ParaCap.

Who should I contact if I have other questions?

If you have other questions regarding Camco, Advantage or the stock offering, or if you have any questions regarding completing a rights certificate or submitting payment in the rights offering, please contact our information agent, ParaCap, at (866) 404-2951 (toll free), Monday through Friday (except bank holidays), between 9:00 a.m. and 4:00 p.m., Eastern Time.

Table of Contents

To whom should I send my forms and payment?

If your shares are held in the name of a broker, dealer, custodian bank or other nominee, then you should send your subscription documents and subscription payment to that record holder. If you are the record holder, then you should send your rights certificate and other documents, and subscription payment to the address provided below. If sent by mail, we recommend that you send documents and payments by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription/escrow agent. Do not send or deliver these materials to Camco.

By mail, hand or overnight courier:

Registrar and Transfer Company

10 Commerce Drive

Cranford, NJ 07016

Attn: Reorg/Exchange Department

You, or, if applicable, your nominee, are solely responsible for completing delivery to the subscription/escrow agent of your subscription rights election form and other documents and subscription payment. You should allow sufficient time for delivery of your subscription materials to the subscription/escrow agent and clearance of payment before the expiration of the rights offering period.

Table of Contents

SUMMARY

This summary highlights the information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that you should consider before deciding whether to exercise your subscription rights. You should carefully read this entire prospectus, including the information contained in the sections entitled Risk Factors, Unaudited Pro Forma Financial Information, and The Rights Offering, our audited consolidated financial statements and the accompanying notes for the year ended December 31, 2011, and our unaudited consolidated financial statements for the quarter ended June 30, 2012, both of which are incorporated into this prospectus by reference, in their entirety before you decide to exercise your subscription rights.

Overview

Camco Financial Corporation is a bank holding company that was organized under Delaware law in 1970. Camco is engaged in the financial services business in Ohio, Kentucky and West Virginia, through its wholly-owned subsidiary, Advantage Bank. Advantage is an Ohio savings bank.

As of June 30, 2012, Advantage had approximately $766.2 million in assets, $614.8 million in loans, $641.7 million in deposits and $49.6 million in stockholders equity. Our principal executive office is located at 814 Wheeling Avenue, Cambridge, Ohio 43725, and our telephone number is (740) 435-2020. We operate 23 branch offices in Ohio: four in Cincinnati, two each in Cambridge, London, Marietta and Washington Court House, and one each in Belpre, Byesville, Dover, Germantown, New Lebanon, Uhrichsville and Worthington; three in Kentucky: one each in Covington, Florence and Ft. Mitchell; and one in Vienna, West Virginia.

Advantage s lending activities include the origination of commercial real estate and business loans, consumer loans, and residential conventional fixed-rate and variable-rate mortgage loans for the acquisition, construction or refinancing of single-family homes located in Camco s primary market areas. Camco also originates construction and permanent mortgage loans on condominiums, two- to four-family, multi-family (over four units) and nonresidential properties. Camco continues to diversify the balance sheet through increasing commercial, commercial real estate, and consumer loans as well as retail and business checking and money market deposit accounts.

Advantage is primarily regulated by the State of Ohio Department of Commerce, Division of Financial Institutions (the Division), and the Federal Deposit Insurance Corporation (the FDIC). Advantage is a member of the Federal Home Loan Bank (the FHLB) of Cincinnati, and its deposit accounts are insured up to applicable limits by the Deposit Insurance Fund the DIF administered by the FDIC. Camco is regulated by the Federal Reserve Board (FRB).

Memorandum of Understanding

On March 4, 2009, Camco entered into a Memorandum of Understanding (the MOU) with the FRB. The MOU prohibits Camco from engaging in certain activities while the MOU is in effect, including, without the prior written approval of the FRB, (i) the declaration or payment of dividends to the stockholders or (ii) the repurchase of Camco stock.

FRB Agreement

On August 5, 2009, Camco entered into a written agreement with the FRB. The written agreement requires Camco to obtain FRB approval prior to: (i) declaring or paying any dividends; (ii) receiving dividends or any other form of payment representing a reduction in capital from Advantage; (iii) making any distributions of interest, principal or other sums on subordinated debentures or trust preferred securities; (iv) incurring, increasing or guaranteeing any debt; or (v) repurchasing any Camco stock. The written agreement also required Camco to develop a capital plan and submit it to the FRB for approval, which it has done.

FDIC and Division Consent Order

Advantage entered into a consent agreement with the FDIC and the Division that provided for the issuance of an order by the FDIC and the Division. That order was executed by the FDIC and Division on February 9, 2012 (the Consent Order) and replaced a prior consent order issued by the FDIC and the Division on July 31, 2009. The Consent Order requires Advantage to, among other things, (i) increase its Tier 1 Leverage Capital ratio to 9% and its total Risk-Based Capital ratio to 12%; and (ii) seek regulatory approval prior to declaring or paying any cash dividend. As a result of the Consent Order, Advantage is disqualified as a public depository under Ohio law and will incur higher premiums for FDIC insurance of its accounts. The Bank will be considered adequately capitalized until the Consent Order is removed by the FDIC and the Division.

Financial Results for Fiscal 2011 and Six Months Ending June 30, 2012

The following tables set forth certain information concerning the consolidated financial position and results of operations of Camco for the periods indicated. This selected consolidated financial data should be read in conjunction with the consolidated financial statements incorporated into this prospectus by reference.

SELECTED CONSOLIDATED FINANCIAL DATA:

	At June 30, 2012	At December 31, 2011
(In thousands, except per share data)		
Total amount of:		
Assets	$ 766,916	$ 767,018
Interest-bearing deposits in other financial institutions	28,160	21,954
Securities available for sale at market	72,430	17,845
Securities held to maturity	2,917	3,083
Loans receivable net[(1)]	602,137	647,267
Deposits	638,516	629,259
FHLB advances and other borrowings	69,200	80,285
Stockholders equity	46,776	45,605

2

Table of Contents

SELECTED CONSOLIDATED OPERATING DATA:

	Six Months Ended June 30, 2012	Year Ended December 31, 2011
(In thousands, except per share data)		
Total interest income	$ 16,349	$ 36,237
Total interest expense	4,247	10,374
Net interest income	12,102	25,863
Provision for losses on loans	1,142	2,279
Net interest income after provision for losses on loans	10,960	23,584
Other income	3,659	6,498
General, administrative and other expense	13,749	29,324
Earnings before federal income taxes	870	758
Federal income taxes (credits)	(25)	544
Net earnings	$ 895	$ 214
Earnings per share:		
Basic	$ 0.12	$ 0.03
Diluted [2]	$ 0.12	$ 0.03
Dividends declared per share	$ 0.00	$ 0.00
Return on average assets [3]	0.23%	0.03%
Return on average equity [3]	3.89%	0.47%
Average equity to average assets [3]	5.94%	5.80%
Dividend payout ratio [4]	N/A [5]	N/A [5]

(1) Includes loans held for sale.
(2) Represents a pro-forma presentation based upon net earnings from operations divided by weighted-average basic and diluted shares outstanding.
(3) Ratios are based upon the mathematical average of the balances at the end of each month.
(4) Represents dividends per share divided by basic earnings per share.
(5) Not meaningful.

Available Information

Camco files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that the Company files with the SEC at the SEC s Public Reference Room at 100 F Street NE, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the Public Reference Room. The SEC also maintains an Internet website, at http://www.sec.gov, that contains the Company s filed reports, proxy and information statements and other information that the Company files electronically with the SEC. Additionally, the Company makes these filings available, free of charge, on its website at http://www.camcofinancial.com as soon as reasonably practicable after the Company electronically files such materials with, or furnishes them to, the SEC. Additional information about the Company is included in documents incorporated by reference in this prospectus. See **WHERE YOU CAN FIND MORE INFORMATION** beginning on page 48 of this prospectus.

Table of Contents

Stock Offering Summary

The following summary describes the principal terms of the stock offering, but is not intended to be complete. See the information under the heading The Rights Offering in this prospectus for a more detailed description of the terms and conditions of the rights offering.

Securities Offered	We are distributing to you, at no charge, one non-transferable subscription right for each share of our common stock that you owned as of 5:00 p.m., Eastern Time, on July 29, 2012, either as a holder of record or, in the case of shares held of record by custodian banks, brokers, dealers or other nominees on your behalf, as a beneficial owner of such shares.
Subscription Price	$1.75 per share of common stock. To be effective, any payment related to the exercise of a subscription right must clear prior to the expiration of the rights offering period.
Record Date	5:00 p.m., Eastern Time, on July 29, 2012.
Expiration of the Rights Offering	5:00 p.m., Eastern Time, on October 31, 2012. We may extend the rights offering without notice to you until December 31, 2012.
Use of Proceeds	We expect the aggregate net proceeds from the stock offering prior to the exercise of any warrants to be approximately $9.36 million if all rights are exercised. We intend to use the proceeds of the stock offering to invest in Advantage to improve its regulatory capital position and for general corporate purposes.
Basic Subscription Privilege	The basic subscription privilege of each subscription right entitles you to purchase one share of our common stock at a subscription price of $1.75 per share. The number of rights you may exercise appears on your rights certificate. You may not be able to exercise all of your rights. See the allocation procedures described below under the heading *Basic Subscription Privilege*.
Over-Subscription Privilege	In the event that you purchase all of the shares of our common stock available to you pursuant to your basic subscription privilege, you may also choose to subscribe for a portion of any shares of our common stock that are not purchased by our stockholders through the exercise of their basic subscription privileges. You may subscribe for shares of common stock pursuant to your over-subscription privilege, subject to the purchase and ownership limitations described below under the heading *Limitations on the Purchase of Shares.*
Warrants	For every two shares you purchase in the rights offering you will receive a warrant to acquire one share of our common stock at $2.10 per share.
Limitations on the Purchase of Shares	Each participant in this offering is subject to an overall beneficial ownership limit of 9.9%, calculated based on the approximately 13,182,373 shares of common stock potentially outstanding after the consummation of this rights offering, if all rights are

exercised. Any

4

Table of Contents

	rights exercised for common stock that would cause the holder to exceed the 9.9% ownership limit will not be considered exercised or subscribed for by that holder. The portion of the subscription price paid by a holder for common stock not considered subscribed for will be returned to that holder, without interest or penalty, as soon as practicable after completion of this offering.
	We will not issue shares of our common stock pursuant to the exercise of basic subscription or over-subscription privileges to any person or entity who, in our sole opinion, could be required to obtain prior clearance or approval from or submit a notice to any state or federal bank regulatory authority to acquire, own or control such shares if, as of October 31, 2012, such clearance or approval has not been obtained and/or any applicable waiting period has not expired.
	In addition, we may not issue shares of our common stock pursuant to the exercise of warrants that may be acquired in the rights offering to any person or entity who, in our sole opinion, could be required to obtain prior clearance or approval from or submit a notice to any state or federal bank regulatory authority to acquire, own or control such shares.
Non-Transferability of Rights	The subscription rights may not be sold, transferred or assigned and will not be listed for trading on the NASDAQ Global Market or on any other stock exchange or market.
No Board Recommendation	Our board of directors is making no recommendation regarding the exercise of your subscription rights. You are urged to make your decision based on your own assessment of our business and the rights offering.
	Please see *Risk Factors* for a discussion of some of the risks involved in investing in our common stock.
Revocation	All exercises of subscription rights are irrevocable, even if you later learn of information that you consider to be unfavorable to the exercise of your subscription rights. You should not exercise your subscription rights unless you are certain that you wish to purchase shares of our common stock in the rights offering.
Material U.S. Federal Income Tax Considerations	For U.S. federal income tax purposes, you should not recognize gain or loss upon receipt or exercise of a subscription right. You should consult with your own tax advisor as to the tax consequences to you of the receipt, exercise or lapse of the rights in light of your particular circumstances.
Extension and Cancellation	Although we do not presently intend to do so, we have the option to extend the rights offering expiration date, but in no event will we extend the rights offering beyond December 31, 2012. Our board of directors may cancel the rights offering at any time. In the event that the rights offering is cancelled, all subscription payments received by the subscription/escrow agent will be returned promptly, without interest or penalty.

5

Table of Contents

Public Offering	If shares of common stock remain available for sale after the closing of the rights offering, we may offer and sell some or all of the remaining shares to the public on a best efforts basis at the $1.75 per share subscription price.
Procedures for Exercising Rights	To exercise your subscription rights, you must take the following steps:
	If you hold a Camco stock certificate, you must deliver payment and a properly completed and signed rights certificate to the subscription/escrow agent to be received before 5:00 p.m., Eastern Time, on October 31, 2012. You may deliver the documents and payment by U.S. mail or courier service. If U.S. mail is used for this purpose, we recommend using registered mail, properly insured, with return receipt requested.
	If you are a beneficial owner of shares that are registered in the name of a custodian bank, broker, dealer or other nominee, you will not receive a rights certificate. You should instruct your nominee to exercise your subscription rights on your behalf. Please follow the instructions of your nominee, who may require that you meet a deadline earlier than 5:00 p.m., Eastern Time, on October 31, 2012.
	If you hold shares in a 401(k) Plan account, you must deliver a properly completed 401(k) Plan Participant Election Form to the Subscription Agent before 5:00p.m., Eastern Time on October 24, 2012.
Subscription Agent	Registrar and Transfer Company, the subscription/escrow agent , will hold funds received in payment for shares of our common stock in a segregated account pending completion of the rights offering. The subscription/escrow agent will hold this money in escrow until the rights offering is completed or is withdrawn and canceled. If the rights offering is canceled for any reason, all subscription payments received by the subscription/escrow agent will be returned promptly, without interest or penalty.
Warrants	All purchasers of common stock in the rights offering will receive, without additional charge, one warrant to purchase one additional share of common stock for each two shares purchased in the rights offering. The warrants will be exercisable for five years from the completion of the rights offering at an exercise price of $2.10 per share. The exercise price will be payable only by cash or check. The warrants will not be transferrable, no fractional warrants will be issued and the number of warrants issued will be rounded down. By way of example, a purchaser purchasing two shares of common stock in the stock offering will receive one warrant and a purchaser purchasing three shares of common stock also will receive one warrant, while a purchaser purchasing four shares of common stock will receive two warrants. The number of shares for which warrants may be exercised and the exercise price applicable to the warrants will be proportionately adjusted in the event that we pay stock

dividends or make distributions of our common stock, or subdivide, combine or reclassify outstanding shares of our common stock such as in a stock split or reverse stock split.

Financial Advisor and Information Agent

ParaCap is acting as our financial advisor and information agent in connection with the rights offering. We have agreed to pay certain fees to, and expenses of, ParaCap.

Shares of Common Stock Outstanding Before the Stock Offering

7,468,087 shares of our common stock were outstanding as of September 21, 2012.

Shares of Common Stock Outstanding After Completion of the Stock Offering

Assuming no options are exercised prior to the expiration of the rights offering and assuming all shares are sold in the rights offering, we expect approximately 13,182,373 shares of our common stock will be outstanding immediately after completion of the rights offering.

NASDAQ Global Market Symbol

Shares of our common stock are currently listed for trading on the NASDAQ Global Market under the symbol CAFI and the shares to be issued in connection with the rights offering and warrant offering will also be listed on the NASDAQ Global Market under the same symbol.

Risk Factors

Before you exercise your subscription rights or warrants to purchase shares of our common stock, you should be aware that there are risks associated with your investment, including the risks described in the section entitled Risk Factors of this prospectus, and the risks that we have highlighted in other sections of this prospectus. You should carefully read and consider these risk factors together with all of the other information included in this prospectus before you decide to exercise your subscription rights or warrants to purchase shares of our common stock.

Additional Information

We are subject to the information requirements of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, which means that we are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, which we refer to as the SEC, all of which are available at the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. You may also obtain copies of the reports, proxy statements and other information from the Public Reference Room of the SEC, at prescribed rates, by calling 1-800-SEC-0330. The SEC maintains an Internet website at http://www.sec.gov where you can access reports, proxy information and registration statements, and other information regarding us that we file electronically with the SEC. In addition, we make available, without charge, through our website, www.camcofinancial.com, electronic copies of our filings with the SEC, including copies of Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q,

Table of Contents

Current Reports on Form 8-K, and amendments to these filings, if any. Information on our website should not be considered a part of this prospectus, and we do not intend to incorporate into this prospectus any information contained in our website.

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents filed separately with the SEC. The information we incorporate by reference is an important part of this prospectus and you may see a list of the documents we incorporate by reference on page 48 of this prospectus.

Questions

You should direct any questions or requests for assistance concerning the method of subscribing for common shares or for additional copies of this prospectus to ParaCap, the information agent, by calling, if you are located within the United States, Canada or Puerto Rico, (866) 404-2951 (toll free).

Table of Contents

RISK FACTORS

An investment in our common stock involves certain risks. You should carefully consider the risks described below, together with the other information contained in this prospectus before making a decision to invest in our common stock. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. If any of the following risks actually occur, our business, results of operations and financial condition could suffer. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to the Stock Offering

The future price of our shares of common stock may be less than the $1.75 purchase price per share in the rights offering.

If you exercise your subscription rights to purchase shares of common stock in the rights offering, you may not able to sell them later at or above the $1.75 purchase price in the rights offering. The actual market price of our common stock could be subject to wide fluctuations in response to numerous factors, some of which are beyond our control. These factors include, among other things, actual or anticipated variations in our costs of doing business, operating results and cash flow, the nature and content of our earnings releases and our competitors earnings releases, changes in financial estimates by securities analysts, business conditions in our markets and the general state of the securities markets and the market for other financial stocks, changes in capital markets that affect the perceived availability of capital to companies in our industry, governmental legislation or regulation, currency and exchange rate fluctuations, as well as general economic and market conditions, such as downturns in our economy and recessions.

Once you exercise your subscription rights, you may not revoke them. If you exercise your subscription rights and, afterwards, the public trading market price of our shares of common stock decreases below the subscription price, you will have committed to buying shares of our common stock at a price above the prevailing market price and could have an immediate unrealized loss. Our common stock is traded on the NASDAQ Global Market under the ticker symbol CAFI, and the last reported sales price of our common stock on the NASDAQ Global Market on September 21, 2012 was $2.28 per share. We cannot assure you that the market price of our shares of common stock will not decline after you exercise your subscription rights. Moreover, we cannot assure you that following the exercise of your subscription rights you will be able to sell your shares of common stock at a price equal to or greater than the subscription price.

This offering may cause the price of our common stock to decrease.

The number of shares of common stock that will be issuable if this offering is fully-subscribed, together with any shares of common stock issuable upon the exercise of warrants, may result in an immediate decrease in the market value of our common stock. This decrease may continue after the completion of this stock offering. If that occurs, you may be unable to profitably sell your common stock. Further, if a substantial number of subscription rights are exercised and shares of common stock are issued, and if the holders of the common stock in this offering choose to sell some or all of those shares, the resulting sales could depress the market price of our common stock. There is no assurance that following the rights offering you will be able to sell your common stock at a price equal to or greater than the subscription price.

The subscription price of the shares in this offering has been determined by our board of directors and does not necessarily represent the price at which a buyer can be found for the shares now or in the future.

Our board of directors has not elected to receive a fairness opinion with respect to the consideration to be paid to Camco prior to the closing of the stock offering. In determining the subscription price, our board of directors considered a number of factors, including: the price at which our stockholders might be willing to participate in the rights offering; historical and current trading prices for our common stock; the need to offer the common stock at a price that would be attractive to stockholders; the need for capital; alternatives available to us for raising capital; and the desire to provide an opportunity to our stockholders to participate in the rights offering on a pro rata basis.

In conjunction with its review of these factors, our board of directors also reviewed our history and prospects, including our past and present earnings and losses, our prospects for future earnings, the outlook for our industry and our current financial condition and regulatory status. As a result, the subscription price is not necessarily a reflection of the market price at which our common stock may sell after the stock offering or of any intrinsic or fair value of our common stock.

The stock offering may reduce your percentage ownership in Camco.

If you do not exercise your subscription rights or you exercise less than all of your rights, and other stockholders fully exercise their rights or exercise a greater proportion of their rights than you exercise, you will suffer dilution of your percentage ownership of our equity securities relative to such other stockholders. As of September 21, 2012, there were 7,468,087 shares of common stock outstanding. If all of our stockholders exercise their subscription rights in full, we will issue 5,714,286 shares of common stock in the rights offering, which represents approximately 43% of the 13,182,373 shares of common stock potentially outstanding upon the completion of the rights offering.

Our directors and executive officers own, and expect to continue to own after completion of the stock offering, a significant portion of our common stock and can exert significant control over our business and corporate affairs.

Our directors and executive officers, as a group, beneficially owned approximately 7.2% of our outstanding common stock, as of September 21, 2012. Following the stock offering, our current directors and executive officers, together with their affiliates, are expected to own approximately 19.2% of our total outstanding shares of common stock. As a result of their ownership, the directors and executive officers will have the ability, by voting their shares in concert, to significantly influence the outcome of all matters submitted to our stockholders for approval, including the election of directors and the approval of significant corporate transactions, including potential mergers, consolidations or sales of all or substantially all of our assets.

You may not revoke your exercise of rights; we may terminate the rights offering.

Once you exercise your subscription rights, you may not revoke or change the exercise unless we are required by law to permit revocation. Accordingly, if you exercise your subscription rights and later learn information about us that you consider unfavorable, you will be committed to buying shares and may not revoke or change your exercise. We may terminate the rights offering at our discretion. If we terminate the rights offering, none of Camco, the information agent or the subscription/escrow agent will have any obligation to you with respect to the rights except to return any payment received by the subscription/escrow agent , without interest or penalty.

The subscription rights and warrants are non-transferable and thus there will be no market for them.

You may not sell, transfer or assign your subscription rights or warrants to anyone else. We do not intend to list the subscription rights or warrants on any securities exchange or any other trading market. Because the subscription rights and warrants are non-transferable, there is no market or other means for you to directly realize any value associated with them.

Table of Contents

If you do not act promptly and follow the subscription instructions, your exercise of subscription rights will be rejected.

Stockholders who desire to purchase shares in the rights offering must act promptly to ensure that all required forms and payments are actually received by the subscription/escrow agent , and all payments clear, prior to the expiration of the rights offering period. If you are a beneficial owner of shares, you must act promptly to ensure that your broker, dealer, custodian bank or other nominee acts for you and that all required forms and payments are actually received by the subscription/escrow agent prior to the expiration of the rights offering period. We are not responsible if your broker, dealer, custodian bank or nominee fails to ensure that all required forms and payments are actually received by the subscription/escrow agent , and all payments clear, prior to the expiration of the rights offering period. If you fail to complete and sign the required subscription forms, send an incorrect payment amount or otherwise fail to follow the subscription procedures that apply to your exercise in the rights offering or your payment does not clear prior to the expiration of the rights offering period, the subscription/escrow agent may, depending on the circumstances, reject your subscription or accept it only to the extent of any payment that has been received and has cleared. Neither we nor the subscription/escrow agent will undertake to contact you concerning, or attempt to correct, an incomplete or incorrect subscription form. We have the sole discretion to determine whether the exercise of your subscription rights properly and timely follows the subscription procedures.

If you desire to purchase shares in the rights offering through your 401(k) Plan account, you must elect what amount (if any) of the subscription rights that you would like to exercise by properly completing the special election form, called the Camco Financial & Subsidiaries Salary Savings Plan Non-Transferable Subscription Rights Election Form provided to you. You must return your properly completed 401(k) Plan Participant Election Form to the Company as prescribed in the instructions accompanying the 401(k) Plan Participant Election Form. Your 401(k) Plan Participant Election Form must be received by the 401(k) Deadline, which is 5:00 p.m., Eastern Time on October 24, 2012, and which is the fifth business day prior to the expiration date of the rights offering. If your 401(k) Plan Participant Election Form is not received by the 401(k) Deadline, your election to exercise your subscription rights that are held in your 401(k) Plan account will not be effective. The 401(k) Deadline is a special deadline that applies to participants (and other account holders) in the 401(k) Plan (notwithstanding the Expiration Date set forth in this prospectus for subscription rights holders generally) and solely with respect to the shares of our Common Stock held through the 401(k) Plan as of the Record Date. Any subscription rights credited to your 401(k) Plan account will expire unless they are properly exercised by the 401(k) Deadline. If you elect to exercise subscription rights in your 401(k) Plan account, you must also ensure that you indicated on your 401(k) Plan Participant Election Form a sufficient amount of your current investment in the Morley Stable Value Fund in your 401(k) Plan account to be liquidated in full satisfaction of your subscription payment. If the amount of funds in your 401(k) Plan account that are invested in the Morley Stable Value Fund do not equal or exceed the purchase price of the shares of common stock that you have elected to purchase in the Rights Offering, the subscription rights held by your 401(k) Plan account will be exercised to the fullest extent possible based on the cash value of your 401(k) Plan account invested in the Morley Stable Value Fund. For additional information, see The Rights Offering Special Instructions for Participants in Our 401(k) Plan.

Our 401(k) Plan, which is receiving subscription rights, is not permitted to acquire, hold or dispose of subscription rights or warrants absent an exemption from the DOL.

The 401(k) Plan is receiving subscription rights with respect to the shares of common stock held by the 401(k) Plan on behalf of the participants (and other account holders) as of the record date even though 401(k) plans and other plans subject to ERISA, such as ours, are not permitted under ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the Code), to acquire, hold or dispose of subscription rights absent an exemption from the DOL. We are submitting a request to the DOL that an exemption be granted on a retroactive basis, effective to the commencement of the Rights Offering, with respect to the acquisition, holding and exercise of the subscription rights by the 401(k) Plan and its participants (and other account holders);

however, the DOL may deny our exemption application. If our exemption request is denied by the DOL, the DOL may require us to take appropriate remedial action and the IRS and DOL could impose certain taxes and penalties on us.

You may not be able to resell any shares of our common stock that you purchase pursuant to the exercise of subscription rights immediately upon expiration of the subscription rights offering period or be able to sell your shares at a price equal to or greater than the subscription price.

If you exercise your subscription rights, you may not be able to resell the common stock purchased by exercising your subscription rights until your account has been credited with those shares. Moreover, you will have no rights as a stockholder of the shares you purchased in the rights offering until we issue the shares to you. Although we will endeavor to issue the shares as soon as practicable after expiration of the rights offering, there may be a delay between the expiration date of the rights offering and the time that the shares are issued. In addition, we cannot assure you that, following the exercise of your subscription rights, you will be able to sell your shares of common stock at a price equal to or greater than the subscription price or at all.

Because we do not have any formal commitments from any of our stockholders to participate in the rights offering and because no minimum subscription is required, we cannot assure you of the amount of proceeds, if any, that we will receive from the rights offering.

We do not have any formal commitments from any of our stockholders to participate in the rights offering and there is no minimum subscription required. We cannot assure you that any of our stockholders will exercise all or any part of their subscription rights. Therefore, we cannot assure you of the amount of proceeds that we will receive in the rights offering. If our stockholders subscribe for fewer shares of our common stock than anticipated, the net proceeds we receive from the rights offering could be reduced and we could incur damage to our reputation.

We have broad discretion in the use of proceeds of the stock offering.

Other than an investment in Advantage, we have not designated the anticipated net proceeds of the stock offering for specific uses. Accordingly, our management will have considerable discretion in the application of the net proceeds of the stock offering and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. See *Use of Proceeds.*

Risks Related to Our Business

We expect to continue to be subject to restrictions and conditions of the MOU, Written Agreement and Consent Order. As a result, we have incurred and expect to continue to incur significant additional regulatory compliance expenses that will negatively affect our results of operations.

Camco and the Bank continue to be under the conditions of the MOU, FRB Written Agreement and Consent Order as a result of various regulatory concerns. Camco has incurred and expects to continue to incur significant additional regulatory compliance expense in connection with these directives and will incur ongoing expenses attributable to compliance with their terms. Although Camco does not expect it, it is possible regulatory compliance expenses related to the directives could have a materially adverse impact on us in the future.

Our capital levels currently do not comply with the higher capital requirements required by the Consent Order and this rights offering will not result in us meeting those requirements.

Under the Consent Order, the FDIC and the Division required the Bank to raise its Tier 1 Leverage Capital ratio to 9% and its total Risk Based Capital ratio to 12% by March 31, 2012. As of June 30, 2012, the Bank needed approximately $19.7 million in additional capital based on assets at such date to meet these requirements. We currently do not have any capital available to invest in the Bank. This rights offering is designed to raise additional capital, but, even if we sell all $10,000,000 of common stock, Camco s Tier 1 Leverage Ratio is only

Table of Contents

expected to be 7.65% and the total Risk Based Capital ratio is only expected to be 11.21%. As a result, there is no assurance that we will not need to raise additional capital in the near future. Moreover, any further increases to our allowance for loan losses, additional deterioration of our real estate owned portfolio and operating losses would negatively impact our capital levels and make it more difficult to achieve the capital level directed by the FDIC and the Division. Based on our failure to meet the required capital levels, the FDIC or the Division could take additional enforcement action against us.

In addition to the Consent Order, the FRB Written Agreement and the MOU, governmental regulation and regulatory actions against us may further impair our operations or restrict our growth.

In addition to the requirements of the Consent Order, the FRB written agreement and the MOU, Camco is subject to significant governmental supervision and regulation. These regulations are intended primarily for the protection of depositors funds, federal deposit insurance funds and the banking system as a whole, not security holders. These regulations affect our lending practices, capital structure, investment practices, dividend policy and growth, among other things. Congress and federal regulatory agencies continually review banking laws, regulations and policies for possible changes. Statutes and regulations affecting our business may be changed at any time and the interpretation of these statutes and regulations by examining authorities may also change.

There can be no assurance that such changes to the statutes and regulations or to their interpretation will not adversely affect our business. Such changes could subject us to additional costs, limit the types of financial services and products Camco may offer and/or increase the ability of non-banks to offer competing financial services and products, among other things.

On July 21, 2010, the Dodd-Frank Act was signed into law. The Dodd-Frank Act represents a comprehensive overhaul of the financial services industry within the United States. There are a number of reform provisions that are likely to significantly impact the ways in which banks and bank holding companies, including Camco and Advantage, do business. For example, the Dodd-Frank Act changes the assessment base for federal deposit insurance premiums by modifying the deposit insurance assessment base calculation to equal a depository institution s consolidated assets less tangible capital and permanently increases the standard maximum amount of deposit insurance per customer to $250,000 and non-interest bearing transaction accounts will have unlimited deposit insurance through December 31, 2012. The Dodd-Frank Act creates the Consumer Financial Protection Bureau as a new agency empowered to promulgate new and revise existing consumer protection regulations which may limit certain consumer fees or otherwise significantly change fee practices. The Dodd-Frank Act also imposes more stringent capital requirements on bank holding companies by, among other things, imposing leverage ratios on bank holding companies and prohibiting new trust preferred issuances from counting as Tier I capital. The Dodd-Frank Act also repeals the federal prohibition on the payment of interest on demand deposits, thereby permitting depository institutions to pay interest on business transaction and other accounts. Other significant changes from provisions of the Dodd-Frank Act include, but are not limited to: (i) changes to rules relating to debit card interchange fees; (ii) new comprehensive regulation of the over-the counter derivatives market; (iii) reform related to the regulation of credit rating agencies; (iv) restrictions on the ability of banks to sponsor or invest in private equity or hedge funds; and (v) the implementation of a number of new corporate governance provisions, including, but not limited to, requiring companies to claw back incentive compensation under certain circumstances, providing stockholders the opportunity to cast a non-binding vote on executive compensation, new executive compensation disclosure requirements and considerations regarding the independence of compensation advisors.

Many provisions of the Dodd-Frank Act have not been implemented and will require interpretation and rule making by federal regulators. Camco is closely monitoring all relevant sections of the Dodd-Frank Act to ensure continued compliance with laws and regulations. While the ultimate effect of the Dodd-Frank Act on Camco cannot currently be determined, the law and its implementing rules and regulations are likely to result in increased compliance costs and fees paid to regulators, along with possible restrictions on our operations, all of which may have a material adverse effect on Camco s operating results and financial condition.

Table of Contents

We may not be able to attract and retain skilled people.

Our success depends in large part on our ability to attract and retain key people. There are a limited number of qualified persons in our market area with the knowledge and experience required to successfully implement our recovery plan. At this time, new senior executives are required to be approved by our regulators. Suitable candidates for positions may decline to consider employment with the Company given its financial condition and the current regulatory environment. In addition, it may be difficult for us to offer compensation packages that would be sufficient to convince candidates that are acceptable to our regulators and meet our requirements to agree to become our employee and/or relocate. Our financial condition and the existing uncertainties may result in existing employees seeking positions at other companies where these issues are not present. The unexpected loss of services of other key personnel could have a material adverse impact on our business because of a loss of their skills, knowledge of our market and years of industry experience. If Camco is not able to promptly recruit qualified personnel, which Camco requires to conduct our operations, our business and our ability to successfully implement our recovery plan could be affected.

We have a relatively high percentage of non-performing loans and classified assets relative to our total assets. If our allowance for loan losses is not sufficient to cover our actual loan losses, our ability to become profitable will be adversely affected.

At June 30, 2012, our non-performing loans totaled $23.7 million, representing 3.9% of total loans and 3.1% of total assets. In addition, loans which management has classified as either substandard, doubtful or loss totaled $14.7 million, representing 2.4% of total loans and 1.9% of total assets. At June 30, 2012, our allowance for loan losses was $14.2 million, representing 60.0% of non-performing loans. In the event our loan customers do not repay their loans according to their terms and the collateral securing the payment of these loans is insufficient to pay any remaining loan balance, Camco may experience significant loan losses, which could have a materially adverse effect on our operating results. Camco makes various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. In determining the amount of the allowance for loan losses, Camco reviews loans and our loss and delinquency experience, and evaluates economic conditions. If our assumptions are incorrect, our allowance for loan losses may not be sufficient to cover probable losses in our loan portfolio, resulting in additions to our allowance. The additions to our allowance for loan losses would be made through increased provision for loan losses, which would reduce our income.

Since 2008, our loan quality has been negatively impacted by deteriorating conditions within the commercial real estate market and economy as a whole, which has caused declines in commercial real estate values and deterioration in financial condition of various commercial borrowers. Additionally, increases in delinquent real estate mortgage loans have occurred as a result of deteriorating economic conditions and a decline in the housing market across our geographic footprint that reflected declining home prices and increasing inventories of houses for sale. These conditions have led Camco to downgrade the loan quality ratings on various commercial real estate loans through its normal loan review process. In addition, several impaired loans have become under-collateralized due to reductions in the estimated net realizable fair value of the underlying collateral. As a result, Camco s provision for loans losses, net charge-offs and nonperforming loans in recent quarters have continued to be higher than historical levels. The additional provisions for loan losses in this period were largely attributed to the aforementioned issues.

Bank regulators periodically review Advantage s allowance for loan losses and may require it to increase the allowance for loan losses. Any increase in the allowance for loan losses as required by these regulatory authorities could have a material adverse effect on Camco s results of operations and financial condition.

Table of Contents

The recent repeal of federal prohibitions on payment of interest on demand deposits could increase our interest expense.

All federal prohibitions on the ability of financial institutions to pay interest on corporate checking accounts were repealed as part of the Dodd-Frank Act. As a result, beginning on July 21, 2011, financial institutions could have commenced offering interest on demand deposits to compete for clients. Camco does not yet know what interest rates other institutions may offer. Camco s interest expense will increase and its net interest margin will decrease if Camco begins offering interest on demand deposits to attract new customers or maintain current customers, which could have a material adverse effect on Camco s business, financial condition and results of operation.

We are subject to examinations and challenges by tax authorities.

In the normal course of business, Camco and its subsidiaries, are routinely subject to examinations from federal and state tax authorities regarding the amount of taxes due in connection with investments made and the businesses in which Camco has engaged. Recently, federal and state tax authorities have become increasingly aggressive in challenging tax positions taken by financial institutions. These tax positions may relate to tax compliance, sales and use, franchise, gross receipts, payroll, property and income tax issues, including tax base, apportionment and tax credit planning. The challenges made by tax authorities may result in adjustments to the timing or amount of taxable income or deductions or the allocation of income among tax jurisdictions. Currently, Camco s 2009 tax year is being audited by the Internal Revenue Service. If any challenges are made and are not resolved in Camco s favor, it could have a material adverse effect on Camco s financial condition and results of operations.

A large percentage of our loans are collateralized by real estate, and continued deterioration in the real estate market may result in additional losses and adversely affect our financial results.

Our results of operations have been, and in future periods will continue to be significantly impacted by the economy in Ohio, and to a lesser extent, other markets Camco is exposed to, including Kentucky and West Virginia.

Deterioration of the economic environment Camco is exposed to, including a continued decline or worsening declines in the real estate market and single-family home re-sales or a material external shock, may significantly impair the value of our collateral and our ability to sell the collateral upon foreclosure. In the event of a default with respect to any of these loans, amounts received upon sale of the collateral may be insufficient to recover outstanding principal and interest on the loan. Over the past three years, material declines in the value of the real estate assets securing many of our commercial real estate loans has led to significant credit losses in this portfolio. Because of our high concentration of loans secured by real estate (the majority of which were originated several years ago), it is possible that Camco will continue to experience some level of credit losses and high provisions even if the overall real estate market stabilizes or improves due to the continuing uncertainty surrounding many of the specific real estate assets securing our loans and the weakened financial condition of some of our commercial real estate borrowers and guarantors.

The same deterioration noted above can affect our real estate owned portfolio and if the economic environment continues to decline or worsen it could significantly impair the value of the portfolio and our ability to sell the properties in a timely manner.

Difficult economic conditions and market volatility have adversely impacted the banking industry and financial markets generally and may significantly affect our business, financial condition, or results of operation.

The continued deteriorating economic conditions in our markets may negatively affect the Corporation. Falling home prices and increasing foreclosures; unemployment and underemployment have negatively impacted

Table of Contents

the credit performance of mortgage loans and resulted in significant write-downs of asset values by financial institutions. The resulting write-downs to assets of financial institutions have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to seek government assistance or bankruptcy protection.

Many lenders and institutional investors have reduced and, in some cases, ceased to provide funding to borrowers, including to other financial institutions because of concern about the stability of the financial markets and the strength of counterparties. It is difficult to predict how long these economic conditions will exist, which of our markets, products or other businesses will ultimately be affected, and whether management s actions will effectively mitigate these external factors. Accordingly, the resulting lack of available credit, lack of confidence in the financial sector, decreased consumer confidence, increased volatility in the financial markets and reduced business activity could materially and adversely affect Camco s business, financial condition and results of operations.

As a result of the challenges presented by economic conditions, Camco may face the following risks in connection with these events:

- Inability of borrowers to make timely repayments of their loans, or decreases in value of real estate collateral securing the payment of such loans resulting in significant credit losses, which could result in increased delinquencies, foreclosures and customer bankruptcies, any of which could have a material adverse effect on our operating results.

- Increased regulation of the financial services industry, including heightened legal standards and regulatory requirements or expectations. Compliance with such regulation will likely increase costs and may limit Camco s ability to pursue business opportunities.

- Further disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations, may result in an inability to borrow on favorable terms or at all from other financial institutions.

- Increased competition among financial services companies due to the recent consolidation of certain competing financial institutions and the conversion of certain investment banks to bank holding companies, which may adversely affect Camco s ability to market our products and services.

Volatility in the economy may negatively impact the fair value of our stock.

The market price for Camco s common stock has been volatile in the past, and several factors could cause the price to fluctuate substantially in the future, including:

- announcements of developments related to our business;

- fluctuations in our results of operations;

- sales of substantial amounts of our securities into the marketplace;

- general conditions in our markets or the worldwide economy;

- a shortfall in revenues or earnings compared to securities analysts expectations;

our inability to pay cash dividends

changes in analysts recommendations or projections; and

our announcement of other projects.

Table of Contents

Changes in interest rates could adversely affect our financial condition and results of operations.

Our results of operations depend substantially on our net interest income, which is the difference between (i) interest income on interest-earning assets, principally loans and investment securities, and (ii) interest expense on deposit accounts and borrowings. These rates are highly sensitive to many factors beyond our control, including general economic conditions, inflation, recession, unemployment, money supply and the policies of various governmental and regulatory authorities. While Camco has taken measures intended to manage the risks of operating in a changing interest rate environment, there can be no assurance that these measures will be effective in avoiding undue interest rate risk.

Increases in interest rates can affect the value of loans and other assets, including our ability to realize gains on the sale of assets. Camco originates loans for sale and for our portfolio. Increasing interest rates may reduce the volume of origination of loans for sale and consequently the volume of fee income earned on such sales. Further, increasing interest rates may adversely affect the ability of borrowers to pay the principal or interest on loans and leases, resulting in an increase in non-performing assets and a reduction of income recognized.

In contrast, decreasing interest rates have the effect of causing clients to refinance mortgage loans faster than anticipated. This causes the value of assets related to the servicing rights on loans sold to be lower than originally anticipated. If this happens, Camco may need to write down the value of our servicing assets faster, which would accelerate our expenses and lower our earnings.

We rely, in part, on external financing to fund its operations and the availability of such funds in the future could adversely impact its growth strategy and prospects.

The Bank relies on deposits, advances from the FHLB and other borrowings to fund its operations. The Company also has previously issued subordinated debentures to raise additional capital to fund its operations. Although the Company considers such sources of funds adequate for its current capital needs, the Company may seek additional debt or equity capital in the future to achieve its long-term business objectives. The sale of equity or convertible debt securities in the future may be dilutive to the Company stockholders, and debt refinancing arrangements may require the Company to pledge some of its assets and enter into covenants that would restrict its ability to incur further indebtedness. Additional financing sources, if sought, might be unavailable to Camco or, if available, could be on terms unfavorable to it. If additional financing sources are unavailable, not available on reasonable terms or the Company is unable to obtain any required regulatory approval for additional debt, the Company s growth strategy and future prospects could be adversely impacted.

Credit risks could adversely affect our results of operations.

There are inherent risks associated with our lending activities, including credit risk, which is the risk that borrowers may not repay outstanding loans or that the value of the collateral securing loans may decrease. Camco extends credit to a variety of customers based on internally set standards and judgment. Camco attempts to manage credit risk through a program of underwriting standards, the review of certain credit decisions and an on-going process of assessment of the quality of the credit already extended. However, conditions such as inflation, recession, unemployment, changes in interest rates, money supply and other factors beyond our control may increase our credit risk. Such adverse changes in the economy may have a negative impact on the ability of borrowers to repay their loans. Because Camco has a significant amount of real estate loans, decreases in real estate values could adversely affect the value of property used as collateral. In addition, substantially all of our loans are to individuals and businesses in Ohio. Consequently, any decline in the economy of this market area could have a materially adverse effect on our financial condition and results of operations.

We operate in extremely competitive markets, and our business will suffer if we are unable to compete effectively.

In our market area, Camco encounters significant competition from other commercial banks, savings associations, savings banks, insurance companies, consumer finance companies, credit unions, other lenders and

Table of Contents

with the issuers of commercial paper and other securities, such as shares in money market mutual funds. The increasingly competitive environment is a result primarily of changes in regulation and the accelerating pace of consolidation among financial service providers. Many of our competitors have substantially greater resources and lending limits than Camco does and may offer services that Camco does not or cannot provide.

Our ability to pay cash dividends is subject to prior FRB approval.

The MOU prohibits Camco from paying dividends without the FRB s prior approval. Camco does not know how long this restriction will remain in place. Even if Camco is permitted to pay a dividend, Camco is dependent primarily upon the earnings of our operating subsidiaries for funds to pay dividends on our common stock. The payment of dividends by our subsidiaries is subject to certain regulatory restrictions. Currently, Advantage is prohibited from paying any dividends to Camco without the prior approval of the FDIC and the Division. In addition, federal law generally prohibits a depository institution from making any capital distributions (including payment of a dividend) to its parent holding company if the depository institution would thereafter and or continue to be undercapitalized. As a result, any payment of dividends in the future by Camco will be dependent, in large part, on our subsidiaries ability to satisfy these regulatory restrictions and our subsidiaries earnings, capital requirements, financial condition and other factors.

The preparation of financial statements requires management to make estimates about matters that are inherently uncertain.

Management s accounting policies and methods are fundamental to how Camco records and reports our financial condition and results of operations. Our management must exercise judgment in selecting and applying many of these accounting policies and methods in order to ensure that they comply with generally accepted accounting principles and reflect management s judgment as to the most appropriate manner in which to record and report our financial condition and results of operations. The most critical estimates are the level of the allowance of loan losses, the valuation of mortgage servicing rights, other real estate owned valuation and the valuation allowance on the deferred tax asset. Due to the inherent nature of these estimates, Camco cannot provide absolute assurance that it will not significantly increase the allowance for loan losses or sustain loan losses that are higher than the provided allowance, nor that it will not recognize a significant provision for the impairment of mortgage servicing rights.

Our organizational documents may have the effect of discouraging a third party from acquiring us.

Our certificate of incorporation and bylaws contain provisions that make it more difficult for a third party to gain control over or acquire us. These provisions also could discourage proxy contests and may make it more difficult for dissident stockholders to elect representatives as directors and take other corporate actions. These provisions of our governing documents may have the effect of delaying, deferring or preventing a transaction or a change in control that might be in the best interest of our stockholders.

Consumers may decide not to use banks to complete their financial transactions.

Technology and other changes are allowing parties to utilize alternative methods to complete financial transactions that historically have involved banks. For example, consumers can now maintain funds in brokerage accounts or mutual funds that would have historically been held as bank deposits. Consumers can also complete transactions such as paying bills and/or transferring funds directly without the assistance of banks. The process of eliminating banks as intermediaries could result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits. The loss of these revenue streams and the lower cost deposits as a source of funds could have a material adverse effect on our financial condition and results of operations.

Table of Contents

We may be named as a defendant from time to time in a variety of litigation and other actions.

Camco or one of its subsidiaries may be named as a defendant from time to time in a variety of litigation arising in the ordinary course of their respective businesses. Such litigation is normally covered by errors and omissions or other appropriate insurance. However, significant litigation could cause Camco to devote substantial time and resources to defending its business or result in judgments or settlements that exceed insurance coverage, which could have a material adverse effect on Camco s financial condition and results of operation. Further, any claims asserted against Camco, regardless of merit or eventual outcome may harm Camco s reputation and result in loss of business. In addition, Camco may not be able to obtain new or different insurance coverage, or adequate replacement policies with acceptable terms.

Our allowance for loan losses may not be adequate to cover actual losses.

The Company maintains an allowance for loan losses to provide for loan defaults and non-performance. The Company s allowance for loan losses may not be adequate to cover actual loan losses and future provisions for loan losses could materially and adversely affect the Company s operating results. The Company s allowance for loan losses is based on its historical loss experience, as well as an evaluation of the risks associated with its loans held for investment. The amount of future losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates that may be beyond the Company s control, and these losses may

exceed current estimates. Federal regulatory agencies, as an integral part of their examination process, review the Company s loans and allowance for loan losses. While the Company believes that its allowance for loan losses is adequate to cover current losses, Camco could need to increase its allowance for loan losses or regulators could require it to increase this allowance. Either of these occurrences could materially and adversely affect Camco s earnings and profitability.

Our ability to use net operating loss carry forwards to reduce future tax payments may be limited or restricted.

Camco has generated net operating losses (NOLs) as a result of our recent losses. Camco generally is able to carry NOLs forward to reduce taxable income in future years. However, our ability to utilize the NOLs is subject to the rules of Section 382 of the Code. Section 382 generally restricts the use of NOLs after an ownership change. An ownership change generally occurs if, among other things, the stockholders (or specified groups of stockholders) who own or have owned, (directly, indirectly, or constructively under Section 382 and the Treasury regulations) 5% or more of a corporation s common stock or are otherwise treated as 5% stockholders under Section 382 and the Treasury regulations caused an increase in their aggregate percentage ownership of that corporation s stock by more than 50 percentage points over the lowest percentage of the stock owned by these stockholders over a three-year rolling period. In the event of an ownership change, Section 382 imposes an annual limitation on the amount of taxable income a corporation may offset with NOL carry forwards. This annual limitation is generally equal to the product of the value of the corporation s stock on the date of the ownership, multiplied by the long-term tax-exempt rate published monthly by the Internal Revenue Service. Any unused annual limitation may be carried over to later years until the applicable expiration date for the respective NOL carry forwards.

Camco does not anticipate that the rights offering will cause an ownership change within the meaning of Section 382. In order to reduce the likelihood that future transactions in our common shares will result in an ownership change, Camco could adopt a Tax Benefits Preservation Plan, which provides an economic disincentive for any person or group to become an owner, for relevant tax purposes, of 4.99% or more of our common shares. However, Camco cannot ensure that our ability to use our NOLs to offset income will not become limited in the future. As a result, Camco could pay taxes earlier and in larger amounts than would be the case if our NOLs were available to reduce our federal income taxes without restriction.

Camco is currently in the process of an Internal Revenue Service audit for tax year 2009, which has a potential risk for financial statement impact.

Table of Contents

A material breach in our security systems may have a significant effect on our business and reputation.

Camco collects processes and stores sensitive consumer data by utilizing computer systems and telecommunications networks operated by both Camco and third party service providers. Camco has security and backup and recovery systems in place, as well as a business continuity plan, to ensure the computer systems will not be inoperable, to the extent possible. Camco also has security to prevent unauthorized access to the computer systems and requires its third party service providers to maintain similar controls. However, management cannot be certain that these measures will be successful. A security breach of the computer systems and loss of confidential information, such as customer account numbers and related information could result in a loss of customers confidence and, thus, loss of business.

Risks Related to Ownership of Our Common Stock

Although publicly traded, our common stock has substantially less liquidity than the average liquidity of stocks listed on the NASDAQ Global Market.

Although our common stock is listed for trading on the NASDAQ Global Market, our common stock has substantially less liquidity than the average liquidity for companies listed on the NASDAQ Global Market. A public trading market having the desired characteristics of depth, liquidity and orderliness

depends on the presence in the marketplace of willing buyers and sellers of our common stock at any given time. This marketplace depends on the individual decisions of investors and general economic and market conditions over which we have no control. This limited market may affect your ability to sell your shares on short notice, and the sale of a large number of shares at one time could temporarily depress the market price of our common stock. For these reasons, our common stock should not be viewed as a short-term investment.

The market price of our common stock may fluctuate in the future, and this volatility may be unrelated to our performance. General market price declines or overall market swings in the future could adversely affect the price of our common stock, and the current market price may not be indicative of future market prices.

Our ability to pay cash dividends is subject to prior FRB approval.

The MOU prohibits the Company from paying dividends without the FRB s prior approval. Camco does not know how long this restriction will remain in place. Even if Camco is permitted to pay a dividend, Camco is dependent primarily upon the earnings of Advantage for funds to pay dividends on our common stock. The payment of dividends by Advantage is subject to certain regulatory restrictions. Currently, Advantage is prohibited from paying any dividends to Camco without the prior approval of the FDIC and the Division. In addition, federal law generally prohibits a depository institution from making any capital distributions (including payment of a dividend) to its parent holding company if the depository institution would thereafter and or continue to be undercapitalized. As a result, any payment of dividends in the future by Camco will be dependent, in large part, on Advantage s ability to satisfy these regulatory restrictions and our subsidiaries earnings, capital requirements, financial condition and other factors.

We may issue additional shares of common stock or convertible securities that will dilute the percentage ownership interest of existing stockholders and may dilute the book value per share of our common stock and adversely affect the terms on which we may obtain additional capital.

Our authorized capital includes 29,900,000 shares of common stock and 100,000 shares of preferred stock. As of September 21, 2012, we had 7,468,087 shares of common stock and no shares of preferred stock outstanding we will issue up to 5,714,286 additional shares of common stock in this rights offering and up to 2,857,143 additional shares through the exercise of warrants issued in the rights offering, and we have reserved for issuance 581,888 shares of common stock underlying options that are exercisable at an average price of $4.62 per share. In addition, as of September 21, 2012 we had the ability to issue 411,346 shares of common stock pursuant to options and restricted stock that may be granted in the future under our existing equity compensation plans. Although we presently do not have any intention of issuing additional common stock (other

Table of Contents

than pursuant to our equity compensation plans and the exercise of warrants issued in this rights offering), we may do so in the future in order to meet our capital needs and regulatory requirements, and we will be able to do so without stockholder approval. Subject to applicable NASDAQ Listing Rules, our Board of Directors generally has the authority, without action by or vote of the stockholders, to issue all or part of any authorized but unissued shares of common stock for any corporate purpose, including issuance of equity-based incentives under or outside of our equity compensation plans. We may seek additional equity capital in the future as we develop our business and expand our operations. Any issuance of additional shares of common stock or convertible securities will dilute the percentage ownership interest of our stockholders and may dilute the book value per share of our common stock.

An investment in our common stock is not an insured deposit.

Our common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any other deposit insurance fund or by any other public or private entity. Investment in our common stock is inherently risky for the reasons described in this Risk Factors section and elsewhere in this prospectus and is subject to the same market forces that affect the price of common stock in any company. As a result, our stockholders may lose some or all of their investment in our common stock.

Table of Contents

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma consolidated balance sheet table for June 30, 2012, and the pro forma income statement and earnings per share table for the fiscal year ended December 31, 2011 presented below have been prepared by management to illustrate the impact of the rights offering pursuant to which stockholders of the Company are entitled to purchase up to 5,714,286 shares of common stock at a subscription price of $1.75 per share.

Table of Contents

Consolidated Pro Forma Balance Sheet

(Unaudited)

The following table presents the Company s unaudited pro forma consolidated balance sheet adjusted for a fully subscribed rights offering for the periods shown. The pro forma consolidated balance sheet as of June 30, 2012 assumes that the foregoing transactions occurred on June 30, 2012.

	June 30, 2012	Adjustments for Rights Offering ($ in Thousands)	June 30, 2012
ASSETS	(as Reported)		(Pro Forma)
Cash and due from banks	$ 15,460	$	$ 15,460
Interest-bearing deposits in other financial institutions	12,700	9,361 (1)	22,061
Cash and cash equivalents	28,160	9,361	37,521
Securities available for sale, at market	72,430		72,430
Securities held to maturity, at cost	2,917		2,917
Loans held for sale - at lower of cost or fair value	2,532		2,532
Loans receivable net	599,605		599,605
Office premises and equipment net	8,365		8,365
Real estate acquired through foreclosure	11,966		11,966
Federal Home Loan Bank stock - at cost	9,888		9,888
Accrued interest receivable	2,717		2,717
Mortgage servicing rights at lower of cost or market	3,302		3,302
Prepaid expenses and other assets	4,806		4,806
Cash surrender value of life insurance	20,228		20,228
Total assets	$ 766,916	$ 9,361	$ 776,277
LIABILITIES AND STOCKHOLDERS EQUITY			
Deposits	$ 638,516		$ 638,516
Advances from the Federal Home Loan Bank	58,445		58,445
Other borrowings	10,755		10,755
Advances by borrowers for taxes and insurance	869		869
Accounts payable and accrued liabilities	11,555		11,555
Total liabilities	720,140		720,140
Stockholders equity:			
Preferred stock - $1 par value; authorized 100,000 shares; no shares outstanding			
Common stock - $1 par value	9,147	5,714 (1)	14,861
Unearned compensation	(492)		(492)
Additional paid-in capital	60,954	3,647	64,601
Retained earnings	1,245		1,245
Accumulated other comprehensive income net of related tax effects	36		36
Treasury stock - shares at June 30, 2012, at cost	(24,114)		(24,114)
Total stockholders equity	46,776	9,361	56,137
Total liabilities and stockholders equity	$ 766,916	$ 9,361	766,277

(1) Adjustment reflects net cash proceeds received by the Company as a result of the rights offering as follows:

Proceeds from the rights offering	$ 10,000
Estimated transaction costs from rights offering	(639)
	$ 9,361

Table of Contents

Pro Forma Income Statement and Earnings Per Share

(Unaudited)

The following table presents the Company s unaudited pro forma income statement and earnings per share adjusted for the pro forma impacts of a fully subscribed rights offering for the year ended December 31, 2011. Pro forma earnings per share assume that the Company completed the rights offering on January 1, 2011.

	Year Ended December 31, 2011 (as reported)	Adjustments for Rights Offering ($ in Thousands)	Year Ended December 31, 2011 (Pro Forma)
Interest and dividend income			
Loans	$ 34,956		$ 34,956
Investment securities	578		578
Other interest-bearing accounts	703		703
Total interest income	36,237		36,237
Interest expense			
Deposits	7,481		7,481
Borrowings	2,893		2,893
Total interest expense	10,374		10,374
Net interest income	25,863		25,863
Provision for losses on loans	2,279		2,279
Net interest income after provision for losses on loans	23,584		23,584
Other income			
Rent and other	933		933
Title fees	170		170
Loan servicing fees	1,195		1,195
Gain on sale of loans	506		506
Mortgage servicing rights net	(578)		(578)
Service charges and other fees on deposits	2,110		2,110
Gain on sale of investment securities	1,267		1,267
Gain on sale of premises and equipment	15		15
Income on cash surrender value life insurance	880		880
Total other income	6,498		6,498
General, administrative and other expense			
Employee compensation and benefits	12,337		12,337
Occupancy and equipment	2,940		2,940
Federal deposit insurance premiums	1,986		1,986
Data processing	1,111		1,111
Advertising	363		363
Franchise taxes	668		668
Postage, supplies and office expenses	984		984
Travel, training and insurance	253		253
Professional services	1,454		1,454
Transaction processing	756		756
Real estate owned and other expenses	4,896		4,896
Loan expenses	1,576		1,576
Total general, administrative and other expense	29,324		29,324
Earnings before federal income taxes	758		758
Total federal income taxes	544		544

NET EARNINGS	$ 214		$ 214
EARNINGS PER SHARE			
Basic	$ 0.03		$ 0.02
Diluted	$ 0.03		$ 0.02
Weighted average shares:			
Basic	7,205,595	5,976,785(1)	13,182,380
Fully diluted	7,205,595	5,976,785	13,182,380

(1) In March 2012 the Company granted 262,500 shares of restricted stock awards with an impact to unearned/deferred compensation of $625,000 and additional paid in capital of $362,500. At June 30, 2012, there was approximately $458,000 of compensation cost that has not yet been recognized related to restricted stock awards.

Table of Contents

USE OF PROCEEDS

Although we cannot determine what the actual net proceeds from the sale of the shares of common stock in the stock offering will be until the stock offering is completed, we estimate that the aggregate net proceeds from the stock offering, after deducting estimated offering expenses, will be approximately $9.36 million. Subject to the FRB s approval of or non-objection to the capital plan and business plan we have adopted, we intend to invest substantially all of the net proceeds in Advantage to improve its regulatory capital position and to retain the remainder of the net proceeds. The net proceeds we retain may be used for general corporate purposes. Other than an investment in Advantage, we currently have no arrangements or understandings regarding any specific use of proceeds.

The net proceeds may vary because total expenses relating to the offering may be more or less than our estimates. For example, our expenses will increase if shares of common stock not purchased in the rights offering are sold in the public offering of shares.

CAPITALIZATION

The following table sets forth our capitalization at June 30, 2012 and as adjusted to reflect the sale of an assumed 5,714,286 shares of our common stock at the subscription price of $1.75 per share and the receipt of the net proceeds from the rights offering after deducting estimated offering expenses in the amount of $639,000. The table does not reflect the use of proceeds from the rights offering. The information presented in the table below should be read in conjunction with the consolidated financial statements and notes thereto incorporated by reference into this prospectus.

	Actual as of June 30, 2012	As Adjusted for Rights Offering
	($ in Thousands, except per share data)	
STOCKHOLDERS EQUITY:		
Preferred stock, $1 par value; 100,000 shares authorized; no shares issued or outstanding as of June 30, 2012		
Common stock, $1 par value; 29,900,000 shares authorized; 9,147,000 shares issued and 14,861,285 shares outstanding as of June 30, 2012 as adjusted for rights offering respectively	$ 9,147	$ 14,861
Unearned compensation	(492)	(492)
Additional paid-in capital	60,954	64,601
Retained earnings	1,245	1,245
Accumulated other comprehensive income net of related tax effects	36	36
Treasury stock; 1,678,913 shares, at cost	(24,114)	(24,114)
Total stockholders equity	46,776	56,137
Total liabilities and stockholders equity	$ 766,916	$ 776,277
Tangible book value per share	$ 6.26	$ 4.26

Table of Contents

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is listed and traded on the NASDAQ Global Market under the symbol CAFI. We had 7,468,087 shares of common stock outstanding and approximately 2,689 holders of record of the common stock at September 21, 2012. On September 21, 2012, the most recent practicable date before the date of this prospectus, the closing price of our common stock as reported on the NASDAQ Global Market was $2.28 per share.

The table below sets forth the high and low daily closing price for the common stock of Camco, together with the dividends declared per share of common stock for the periods indicated.

	Close Price		Cash Dividends
	High	Low	Declared
Fiscal Year Ending December 31, 2012			
First Quarter	$ 2.80	$ 1.27	$ 0.00
Second Quarter	2.70	2.01	0.00
Fiscal Year Ending December 31, 2011			
First Quarter	$ 2.41	$ 1.65	$ 0.00
Second Quarter	2.00	1.56	0.00
Third Quarter	1.90	1.18	0.00
Fourth Quarter	1.48	1.10	0.00
Fiscal Year Ended December 31, 2010			
First Quarter	$ 3.40	$ 1.91	$ 0.00
Second Quarter	3.70	2.51	0.00
Third Quarter	2.39	1.70	0.00
Fourth Quarter	2.19	1.17	0.00

The foregoing table shows only historical comparisons. These comparisons may not provide meaningful information to you in determining whether to purchase common stock. You are urged to obtain current market quotations for our common stock and to review carefully the other information contained in this prospectus.

Any future determination to pay dividends will be at the discretion of our board of directors, subject to applicable limitations under Delaware law and restrictions imposed by our regulators, and will be dependent upon our results of operations, financial condition, contractual restrictions and other factors deemed relevant by our board of directors.

Agreements entered into between Camco and the FRB require us to, among other things, obtain the prior written approval of the FRB prior to (i) declaring or paying any dividends to our stockholders; (ii) receiving dividends or any other form of payment representing a reduction in capital from Advantage; or (iii) repurchasing any Camco stock.

Our primary source of funds for the payment of dividends is dividends from Advantage. The Consent Order entered into by Advantage with the FDIC and the Division requires Advantage to, among other things, seek regulatory approval prior to declaring or paying any cash dividend. We do not believe that such regulatory approval is likely in the foreseeable future. As a result, our payment of dividends in 2012 and beyond is uncertain.

Table of Contents

THE RIGHTS OFFERING

The following describes the rights offering in general and assumes, unless specifically provided otherwise, that you are a record holder of our common stock on the record date. If you hold your shares in a brokerage account or through a broker, dealer, custodian bank or other nominee, please also refer to Method of Exercising Subscription Rights Subscription by Beneficial Owners . If you hold shares through your 401(k) Plan account, please refer to Special Instructions for Participants in Our 401(k) Plan below.

The Subscription Rights

We are distributing to holders of shares of our common stock as of 5:00 p.m., Eastern Time, on July 29, 2012, which is the record date for the rights offering, at no charge, non-transferable subscription rights to purchase shares of our common stock at $1.75 per share. Each holder of record of our common stock will receive one subscription right for each share of our common stock owned by such holder as of 5:00 p.m., Eastern Time, on July 29, 2012. Each subscription right entitles the holder to a basic subscription privilege and an over-subscription privilege. The subscription rights entitle the holders of our common stock to purchase an aggregate of 5,714,286 shares of our common stock for an aggregate purchase price of $10.0 million. The shares to be issued in the rights offering, like our existing shares of common stock, will be traded on the NASDAQ Global Market under the symbol CAFI.

Basic Subscription Privilege. The basic subscription privilege of each subscription right provides the holder of the subscription right the opportunity to purchase one share of our common stock, subject to delivery of the required documents and payment of the subscription price of $1.75 per share, prior to the expiration of the rights offering. You may exercise all or a portion of your basic subscription privilege or you may choose not to exercise any subscription rights at all. However, if you exercise less than your full basic subscription privilege, you will not be entitled to purchase shares under your oversubscription privilege. It is possible that the requests for exercise of subscription rights in the basic subscription privilege will exceed the number of shares of common stock available to be purchased pursuant to the basic subscription privilege. If this occurs, we will allocate the available shares of common stock among stockholders who subscribed by multiplying the number of shares requested by each stockholder through the exercise of their basic subscription privileges by a fraction equal to (i) the number of shares available to be issued through the rights offering divided by (ii) the total number of shares requested by all subscribers through the exercise of their basic subscription privileges.

Over-Subscription Privilege. In the event that you purchase all of the shares of common stock available to you pursuant to your basic subscription privilege, you may also choose to purchase a portion of any shares of our common stock that are not purchased by other stockholders through the exercise of their basic subscription privileges. If sufficient shares of common stock are available, we will seek to honor the oversubscription requests in full. If, however, over-subscription requests exceed the number of shares of common stock available to be purchased pursuant to the over-subscription privilege, we will allocate the available shares of common stock among stockholders who over-subscribed by multiplying the number of shares requested by each stockholder through the exercise of their over-subscription privileges by a fraction equal to (i) the number of shares available to be issued through over-subscription privileges divided by (ii) the total number of shares requested by all subscribers through the exercise of their over-subscription privileges. We will not issue fractional shares through the exercise of over-subscription privileges.